

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE PATENT
APPLICATION OF : Dazhi CHEN *et al.*
SERIAL NO. : 09/461,336
FILING DATE : December 15, 1999
ART UNIT : 3627
EXAMINER : A.M. SHEIKH
FOR : SYSTEM AND METHOD FOR REDUCING EXCESS CAPACITY FOR
RESTAURANTS AND OTHER INDUSTRIES DURING OFF-PEAK OR
OTHER TIMES

REPLY BRIEF UNDER 37 C.F.R. § 41.41

Mail Stop Appeal Brief - Patents

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Madam:

In response to the Examiner's Answer mailed January 2, 2013 ("Answer"), Appellant respectfully submits a Reply Brief pursuant to 37 C.F.R. § 41.41. The Answer was filed in response to the Appellant's Appeal Brief, filed August 31, 2012 ("Appeal Brief").

It is not believed that any fees are due in this case. However, the Director is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same to Deposit Account No. 033975 (**Ref. No.** 043311-0313722).

REQUIREMENTS OF 37 C.F.R. §41.41

I. **37 C.F.R. § 41.37(c)(1)(iii) – STATUS OF CLAIMS**

Pending: Claims 1-10, 14-16, 23-33, 133-134, and 136-152 are pending.

Cancelled: Claims 11-13, 17-22, 34-132, 135, and 153-156 have been cancelled without prejudice or disclaimer.

Rejected: Claims 1-10, 14-16, 23-33, 133-134, and 136-152 stand rejected.

Allowed: No claims have been allowed.

On Appeal: The rejection of claims 1-10, 14-16, 23-33, 133-134, and 136-152 are appealed.

II. 37 C.F.R. § 41.37(c)(1)(vi) – Grounds of Rejection to be Reviewed on Appeal.

Claims 1-9, 14-16, 23-25, 27-33, 133-134, and 136-146 currently stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,803,500 to Mossberg ("Mossberg") in view of U.S. Patent No. 5,909,673 to Gregory ("Gregory"), in further view of U.S. Patent No. 5,903,874 to Leonard *et al.* ("Leonard"), and in still further view of U.S. Patent No. 5,845,265 to Woolston ("Woolston"). Claims 10, 26, 32, and 147-148 currently stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Mossberg in view of Gregory, in further view of Leonard, in still further view of Woolston, and still further in view of Examiner's Official Notice. Claims 149-152 currently stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Mossberg in view of Gregory, in further view of Leonard, in still further view of Woolston, and still further in view of U. S. Patent No. 6,112,181 to Shear *et al.* ("Shear"). These rejections constitute legal error, and should be reversed upon review.

III. 37 C.F.R. § 41.37(c)(1)(vii) – ARGUMENT

A. 35 U.S.C. § 103(A) REJECTION BASED ON MOSSBERG, GREGORY, LEONARD, AND WOOLSTON.

1. Claim 1

The rejection of claim 1 under § 103 must be reversed at least because the Answer fails to demonstrate that the following features would have been obvious in view of the cited references: (a) auctioning dining incentives on a web-site, (b) auctioning a discount from a predetermined price at a restaurant, and/or (c) enabling one or more restaurants to post on the web site dining incentives for auction.

a. The Office Action Fails To Demonstrate That The Cited References Teach Or Suggest Auctioning Dining Incentives On A Web-Site.

Claim 1 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...enabling one or more restaurants to post on the web-site **dining incentives for auction**, the dining

incentives comprising a first dining incentive having restrictions comprising valid dates and times for use of the first dining incentive, the restrictions corresponding to a non-peak demand period of a restaurant offering the first dining incentive to reduce excess capacity of that restaurant during the non-peak demand period ...

By way of non-limiting example, dining incentives may be redeemable during a predetermined period, for example, corresponding to a known off-peak period [of the restaurant], which may enable restaurants to manage capacity to reduce excess capacity (and lost profits) during off-peak hours. [see, e.g., page 13, line 22 – page 14, line 8]. Incentives generally within the art refer to discounts (e.g., in dollar value or percent of the price), free additional goods or services provided upon purchase of other goods or services, loyalty rewards, rebates, and/or other offers of consideration from a merchant that incentivize purchasing a good or service from the merchant. The specification of the present application provides examples of various ones of the exemplary types of incentives enumerated above. [see, e.g., page 2, lines 5-8 and page 6, lines 1-7].

The cited references do not teach or suggest auctioning incentives for dining. [see, e.g., Appeal Brief, pp. 6-8]. The Answer alleges that Mossberg discloses "enabling the conducting of a silent auction," and "the auction could be conducted for profit." [Answer, 3]. In particular, the Answer states:

Mossberg discloses an auction item or multiple similar auction items which can include a certificate entitling the bearer to specific goods or services or invitations to dinner (e.g. a reasonable interpretation would be a certificate for an invitation to a restaurant (see at least, col. 3, lines 57-61).

Answer, page 3, center (emphasis added)

The quoted section of Mossberg states:

As used in this specification, an auction item may include a tangible good or group of goods or a certificate entitling the bearer to specific goods or services, or any combination thereof. Further, more

than one unit of certain auction items may be made available for sale, such as a set of invitations to a dinner.

*Mossberg, column 3, lines 57-61 (*emphasis added*)*

The argument set forth in the Answer pertaining to the rejection of claim 1 includes at least two errors: 1) an invitation to a meal is not the same as an incentive for dining at a restaurant, and 2) a dinner is not the same as a restaurant.

An invitation to a meal is not the same as an incentive for dining at a restaurant.

The cited sections of Mossberg describe auctioning an **invitation** to a meal (specifically dinner), and **not an incentive for dining**. This is even acknowledged by the Answer in the portion reproduced above [Answer, page 3, center]. Within the art, and in the specification of the present application, an incentive for dining at a restaurant is an offer of consideration that will be realized by a customer when the customer dines at the restaurant (see, e.g., the discussion of incentives *supra*). Mossberg, on the other hand, merely describes that an auction may be for an invitation, or opportunity to attend, a meal (e.g., a dinner). These types of auctions for charity typically include, for example, an opportunity to eat a meal with a celebrity or well-known person. There is no teaching or suggestion in Mossberg such an invitation would be specific to a restaurant, or that it would include consideration intended to, or effective in, incentivize dining by the purchaser at a specific restaurant and/or at a specific date/time. As such, the description in Mossberg of auctioning an invitation to a meal does not teach or suggest auctioning dining incentives, as is recited in claims 1.

A dinner is not the same as a restaurant.

The reproduced section of the Answer, above, mistakes a **dinner** for a **restaurant**. Mossberg teaches that an auction item could be an invitation to a dinner. However, the Answer paraphrases Mossberg when stating: “a reasonable interpretation would be a certificate for an invitation to a **restaurant**.” (*emphasis added*). This interpretation (i.e. substituting dinner with restaurant) is flawed because a dinner need not be at a restaurant, and a restaurant can host many activities and meals that are not

dinners. Mossberg fails to teach (auctioning) an invitation to a restaurant, contrary to the interpretation set forth in the Answer.

b. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Auctioning A Discount From A Predetermined Price At A Restaurant.

In order to properly reject claim 1 under § 103, the Answer must establish a *prima facie* case of obviousness in view of the cited references. See *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992) (discussing *In re Piasecki*, 745 F.2d 1468, 1472, (Fed. Cir. 1984)). The rejection of claim 1 under § 103 constitutes legal error and must be reversed at least because the Answer fails to meet this burden with respect to all of the features of claim 1. For example, claim 1 recites *inter alia* the following features, which the Answer fails to show would have been obvious in view of the cited references:

...responsive to conclusion of an **auction** of the first dining incentive an auction winner for the first dining incentive is determined ... wherein the first dining incentive is redeemable for service from the restaurant offering the first dining incentive during the non-peak demand period for a **discount from a pre-determined price** ...

The Answer acknowledges neither Mossberg, Woolston, nor Leonard teaches the feature of auctioning a discount form a predetermined price at a restaurant. [Answer, 5-6]. The Answer sought to use Gregory to teach "one or more restaurants create/customize coupon/certificate for specific locations (see at least, col. 6, lines 54-67" [Answer, 5]. The quoted sections of Gregory teach a system to print and distribute customized coupons.

The motivation for the proposed combination of Mossberg and Gregory is simply noted by the Examiner without any of the required "reasoning".

The combination is alleged to obtain a predictable result. In actuality, the combination is not predictable. The claimed invention provides restaurants with a mechanism by which excess capacity during off-peak hours is reduced. One of the ways this reduction can be accomplished is through the auctioning of incentives like the

ones recited in claim 1. This enables the discounts provided by the incentives to be valued by a market realized in the form of an auction. The restaurants do not have to “guess” at the amount of discount that will entice diners to dine during off-peak hours. Instead, restaurants can provide incentives with discounts that are more than enough to incentivize dining during off-peak hours, and then the purchase of the incentives by the diners offsets the extra discount. Setting the purchase price of the incentives through auction lets the market decide how much of the discount is in fact “extra.”

As has been addressed above, Mossberg merely describes auctioning certificates for goods or services that are redeemable for the goods or services in total without additional outlay of consideration. Gregory, at best, teaches that coupons for dining at restaurants were known. However, Gregory appears to only describe distributing coupons for free, as was traditionally done. There is no teaching or suggestion in either of Mossberg or Gregory as to why a person of ordinary skill in the art would have offered the coupons described by Gregory in an *auction* as described in Mossberg, and the Answer does not provide any reasoning with respect to the alleged obviousness of this combination.

The references themselves “teach away” from the proposed combination.

At least Gregory appears to teach away from the proposed combination. Gregory appears to teach the distribution of free coupons. Gregory fails to teach *selling* coupons or exchanging them for money in any way, much less *auctioning* them:

Additionally, coupons have previously been printed and distributed in enormous quantities to keep costs as low as possible. This is wasteful because many of the coupons will never be distributed. It is usually the practice to print and distribute to distribution location many more coupons than will ever be used because it is very difficult to predict in advance how many will be delivered to customers. In order to be printed in bulk the content of the coupons cannot be varied, that is all the coupons must be identical. Additionally, once the coupons are printed in this fashion they must still be distributed to the ultimate consumer. This usually

involves bulk mailings or insertion into periodicals such as newspapers. This method of distribution results in severe waste because of the inability to target a particular type of consumer or delays in the distribution which result in the coupon being delivered to close to or even after its distribution date.

Gregory, column 2, lines 51-67

Customers receive and use *Gregory's* coupons for free, similar to traditional coupons. Customizing the coupons has no effect (nor is any such effect alleged by *Gregory*) on the traditional monetary nature, or lack thereof, of customers receiving and using coupons. In fact, the motivation of *Gregory* to customize coupons is to reduce printing costs (*i.e.* be less wasteful as alluded to in the reproduced section of *Gregory*, above), not to alter the monetary nature of how traditional coupons are received and used by customers. In general, there is no motivation to auction free items, because customers do not want to pay for free items. *Mossberg* is sought to teach auctioning items *for profit*. [Answer, 4]. Because *Gregory* teaches away from selling coupons at any amount of money, the proposed combination of *Mossberg* and *Gregory* is not obvious.

c. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Enabling One Or More Restaurants To Post On A Web Site Dining Incentives For Auction.

Claim 1 recites *inter alia* the following features, which are not taught or suggested in the cited sections of *Mossberg*, *Gregory*, *Leonard*, and *Woolston*:

...enabling **one or more restaurants** to **post** on the web-site dining incentives for auction, the dining incentives comprising a first dining incentive having restrictions comprising valid dates and times for use of the first dining incentive, the restrictions corresponding to a non-peak demand period of a **restaurant** offering the first dining incentive to reduce excess capacity of that **restaurant** during the non-peak demand period ...

By way of non-limiting example, providing a web site that enables a restaurant to auction gift certificates is included, *e.g.*, at page 2, lines 4-5 of the Specification as originally filed. The gift certificates may be worth a predetermined amount of credit at

the restaurant, redeemable for a percentage amount off of the regular purchase price, and/or redeemable for other financial incentives [See, e.g., page 29, lines 11-17 of the Specification as originally filed]. Providing the web site to restaurants themselves is significant because it enables the restaurants to control the number of incentives to be auctioned off, as well as various parameters of the incentives (e.g., hours/days they are valid, value, and/or other parameters), and/or parameters of the auctions (e.g., start/end date/time, minimum bid, purchase price, number of incentives to be auctioned, and/or other parameters) [See, e.g., page 19, lines 17-21, page 25, line 20 - page 26, line 1, and/or page 28, line 21 – page 29, line 3 of the Specification as originally filed]. This control enables the restaurants to use the incentives to incentivize dining in precise ways to reduce excess capacity during non-peak hours while minimizing the amount of discounted services that are provided to customers during peak hours [See, e.g., page 14, lines 5-8 of the Specification as originally filed].

The cited references do not teach or suggest enabling one or more *restaurants* to post dining incentives on a web-site for auction. [see, e.g., Appeal Brief, pp. 12-15]. The Answer alleges that Woolston teaches “enabling one or more *users* to post on the web site a listing of one or more items being offered for sale (see at least, col. 5, lines 46-51).” [Answer, 6, *emphasis added*]. The Answer further alleges that “an item can be interpreted to be certificate [sic] that can be posted on a web site for auction.” [Answer, 6]. In essence, Woolston is alleged to teach online auctions generically. The teachings from Woolston are isolated from, rather than integrated with, any other pertinent features. Woolston fails to teach the auction of *incentives*, much less dining incentives. Woolston further fails to teach enabling *restaurants* to post incentives, much less posting incentives redeemable for service from the restaurant that posted the incentive.

2. Claim 133

The rejection of claim 133 under § 103 must be reversed at least because the Answer fails to demonstrate that the following features would have been obvious in view of the cited references: (a) auctioning discounted restaurant gift certificates on a web site, (b) auctioning a discount from a predetermined price at a restaurant, and/or (c)

enabling one or more restaurants to post on the web site a discounted gift certificate for sale.

a. The Office Action Fails To Demonstrate That The Cited References Teach Or Suggest Auctioning Discounted Restaurant Gift Certificates On A Web-Site.

Claim 133 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...enabling one or more of the restaurants to post on the web site a listing of at least one **discounted gift certificate** being offered for sale, including restrictions comprising valid dates and times for use of the at least one discounted gift certificate, the restrictions corresponding to a non-peak demand period of a restaurant to reduce excess capacity of that restaurant during the non-peak demand period ...

By way of non-limiting example, discounted gift certificates may be redeemable during a predetermined period, for example, corresponding to a known off-peak period [of the restaurant], which may enable restaurants to manage capacity to reduce excess capacity (and lost profits) during off-peak hours. [see, e.g., page 13, line 22 – page 14, line 8]. Incentives generally within the art refer to discounts (e.g., in dollar value or percent of the price), free additional goods or services provided upon purchase of other goods or services, loyalty rewards, rebates, and/or other offers of consideration from a merchant that incentivize purchasing a good or service from the merchant. The specification of the present application provides examples of various ones of the exemplary types of incentives enumerated above. [see, e.g., page 2, lines 5-8 and page 6, lines 1-7].

The cited references do not teach or suggest auctioning discounted restaurant gift certificates. [see, e.g., Appeal Brief, pp. 15-17]. The Answer alleges that Mossberg discloses “enabling the conducting of a silent auction,” and “the auction could be conducted for profit.” [Answer, 9]. In particular, the Answer states:

Further Mossberg discloses an auction item or multiple similar auction items which can include a certificate entitling the bearer to specific goods or services or invitations to dinner (e.g. a reasonable interpretation would be a certificate for an invitation to a restaurant (see at least, col. 3, lines 57-61).

Answer, page 9, near the top (emphasis added)

The quoted section of Mossberg states:

As used in this specification, an auction item may include a tangible good or group of goods or a certificate entitling the bearer to specific goods or services, or any combination thereof. Further, more than one unit of certain auction items may be made available for sale, such as a set of invitations to a dinner.

Mossberg, column 3, lines 57-61 (emphasis added)

The argument set forth in the Answer pertaining to the rejection of claim 133 includes at least two errors: 1) an invitation to a meal is not the same as a discounted gift certificate, and 2) a dinner is not the same as a restaurant.

An invitation to a meal is not the same as a discounted gift certificate.

The cited sections of Mossberg describe auctioning an **invitation** to a meal (specifically dinner), and **not a discounted gift certificate**. This is even acknowledged by the Answer in the portion reproduced above [Answer, page 9, near the top]. Within the art, and in the specification of the present application, a discounted gift certificate that is redeemable for service from a restaurant is an offer of consideration that will be realized by a customer when the customer dines at the restaurant. Mossberg, on the other hand, merely describes that an auction may be for an invitation, or opportunity to attend, a meal (e.g., a dinner). These types of auctions typically include, for example, an opportunity to eat a meal with a celebrity or well-known person. There is no teaching or suggestion in Mossberg such an invitation would be specific to a restaurant, or that it would include consideration intended to promote dining by the purchaser at a specific restaurant and/or at a specific date/time. As such, the description in Mossberg of

auctioning an invitation to a meal does not teach or suggest auctioning discounted restaurant gift certificates, as is recited in claims 133.

A dinner is not the same as a restaurant.

The reproduced section of the Answer, above, mistakes a **dinner** for a **restaurant**. Mossberg teaches that an auction item could be an invitation to a dinner. However, the Answer paraphrases Mossberg when stating: “a reasonable interpretation would be a certificate for an invitation to a **restaurant**.” (*emphasis added*). This interpretation (*i.e.* substituting dinner with restaurant) is flawed because a dinner need not be at a restaurant, and a restaurant can host many activities and meals that are not dinners. Mossberg fails to teach (auctioning) an invitation to a restaurant, contrary to the interpretation set forth in the Answer.

b. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Auctioning A Discount From A Predetermined Price At A Restaurant.

In order to properly reject claim 133 under § 103, the Answer must establish a *prima facie* case of obviousness in view of the cited references. See *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992) (discussing *In re Piasecki*, 745 F.2d 1468, 1472, (Fed. Cir. 1984)). The rejection of claim 133 under § 103 constitutes legal error and must be reversed at least because the Answer fails to meet this burden with respect to all of the features of claim 133. For example, claim 133 recites *inter alia* the following features, which the Answer fails to show would have been obvious in view of the cited references:

...providing the at least one discounted gift certificate to a purchaser or the auction winner, wherein the discounter gift certificates are **redeemable** for the service from a corresponding one of the one or more restaurants during the non-peak demand period **for a discount from the predetermined price ...**

The Answer acknowledges neither Mossberg, Woolston, nor Leonard teaches the feature of auctioning a discount form a predetermined price at a restaurant. [Answer, 10-11]. The Answer sought to use Gregory to teach “one or more restaurants create/customize coupon/certificate for specific locations (see at least, col. 6, lines 54-

67" [Answer, 11]. The quoted sections of Gregory teach a system to print and distribute customized coupons.

The motivation for the proposed combination of Mossberg and Gregory is simply noted by the Examiner without any of the required "reasoning".

The combination is alleged to obtain a predictable result. In actuality, the combination is not predictable. The claimed invention provides restaurants with a mechanism by which excess capacity during off-peak hours is reduced. One of the ways this reduction can be accomplished is through the auctioning of discounted restaurant gift certificates like the ones recited in claim 133. This enables the discounts provided by the gift certificates to be valued by a market realized in the form of an auction. The restaurants do not have to "guess" at the amount of discount that will entice diners to dine during off-peak hours. Instead, restaurants can provide gift certificates with discounts that are more than enough to incentivize dining during off-peak hours, and then the purchase of the gift certificates by the diners offsets the extra discount. Setting the purchase price of the gift certificates through auction lets the market decide how much of the discount is in fact "extra."

As has been addressed above, Mossberg merely describes auctioning certificates for goods or services that are redeemable for the goods or services in total without additional outlay of consideration. Gregory, at best, teaches that coupons for dining at restaurants were known. However, Gregory appears to only describe distributing coupons for free, as was traditionally done. There is no teaching or suggestion in either of Mossberg or Gregory as to why a person of ordinary skill in the art would have offered the coupons described by Gregory in an *auction* as described in Mossberg, and the Answer does not provide any reasoning with respect to the alleged obviousness of this combination.

In fact, Gregory appears to teach away from the proposed combination. Gregory appears to teach the distribution of free coupons. Gregory fails to teach *selling* coupons or exchanging them for money in any way, much less *auctioning* them:

Additionally, coupons have previously been printed and distributed in enormous quantities to keep costs as low as possible. This is wasteful because many of the coupons will never be distributed. It is usually the practice to print and distribute to distribution location many more coupons than will ever be used because it is very difficult to predict in advance how many will be delivered to customers. In order to be printed in bulk the content of the coupons cannot be varied, that is all the coupons must be identical. Additionally, once the coupons are printed in this fashion they must still be distributed to the ultimate consumer. This usually involves bulk mailings or insertion into periodicals such as newspapers. This method of distribution results in severe waste because of the inability to target a particular type of consumer or delays in the distribution which result in the coupon being delivered to close to or even after its distribution date.

Gregory, column 2, lines 51-67

Customers receive and use *Gregory*'s coupons for free, similar to traditional coupons. Customizing the coupons has no effect (nor is any such effect alleged by *Gregory*) on the traditional monetary nature, or lack thereof, of customers receiving and using coupons. In fact, the motivation of *Gregory* to customize coupons is to reduce printing costs (*i.e.* be less wasteful as alluded to in the reproduced section of *Gregory*, above), not to alter the monetary nature of how traditional coupons are received and used by customers. In general, there is no motivation to auction free items, because customers do not want to pay for free items. Mossberg is sought to teach auctioning items *for profit*. [Answer, 10]. Because *Gregory* teaches away from selling coupons at any amount of money, the proposed combination of Mossberg and *Gregory* is not obvious.

c. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Enabling One Or More Restaurants To Post On A Web Site A Discounted Gift Certificate For Sale.

Claim 133 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, *Gregory*, Leonard, and Woolston:

...enabling **one or more** of the **restaurants** to post on the web site a listing of at least one **discounted gift certificate** being offered for sale, including restrictions comprising valid dates and times for use of the at least one discounted gift certificate, the restrictions corresponding to a non-peak demand period of a restaurant to reduce excess capacity of the restaurant during the non-peak demand period;...

By way of non-limiting example, providing a web site that enables a restaurant to auction gift certificates is included, e.g., at page 2, lines 4-5 of the Specification as originally filed. The gift certificates may be worth a predetermined amount of credit at the restaurant, redeemable for a percentage amount off of the regular purchase price, and/or redeemable for other financial incentives [See, e.g., page 29, lines 11-17 of the Specification as originally filed]. Providing the web site to restaurants themselves is significant because it enables the restaurants to control the number of gift certificates to be auctioned off, as well as various parameters of the gift certificates (e.g., hours/days they are valid, value, and/or other parameters), and/or parameters of the auctions (e.g., start/end date/time, minimum bid, purchase price, number of gift certificates to be auctioned, and/or other parameters) [See, e.g., page 19, lines 17-21, page 25, line 20 - page 26, line 1, and/or page 28, line 21 – page 29, line 3 of the Specification as originally filed]. This control enables the restaurants to use the discounted gift certificates to incentivize dining in precise ways to reduce excess capacity during non-peak hours while minimizing the amount of discounted services that are provided to customers during peak hours [See, e.g., page 14, lines 5-8 of the Specification as originally filed].

The cited references do not teach or suggest enabling one or more *restaurants* to post discounted gift certificates on a web-site for auction. [see, e.g., Appeal Brief, pp. 19-22]. The Answer alleges that Woolston teaches “enabling one or more *users* to post on the web site a listing of one or more items being offered for sale (see at least, col. 5, lines 46-51).” [Answer, 12, *emphasis added*]. The Answer further alleges that “an item can be interpreted to be certificate [sic] that can be posted on a web site for auction.” [Answer, 12]. In essence, Woolston is alleged to teach online auctions generically. The teachings from Woolston are isolated from, rather than integrated with, any other

pertinent features. Woolston fails to teach the auction of *discount gift certificates*, much less discount restaurant gift certificates. Woolston further fails to teach enabling *restaurants* to post discount gift certificates, much less posting gift certificates redeemable for service from the restaurant that posted the gift certificate.

3. Claim 4

The rejection of claim 4 under § 103 must be reversed at least because the Answer fails to demonstrate that the following feature would have been obvious in view of the cited references: a registration process where **each** of the one or more users provides identification, demographic and service preference information.

- a. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest A Registration Process Where Each Of The One Or More Users Provides Identification, Demographic And Service Preference Information.

Claim 4 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...includes a **registration process** where **each** of the one or more users provides identification, demographic and service preference information.

By way of non-limiting example, the registration process may include providing identification and demographic information. See, e.g., page 2, lines 11-13 and page 14, lines 14-20 of the Specification as originally filed.

The cited references do not teach or suggest a registration process for each user, wherein each user provides identification, demographic and service preference information. [see, e.g., Appeal Brief, pp. 22-24]. The Answer alleges that Woolston teaches a registration process at column 9, lines 9-12, and column 5, lines 11-14.

The participant may respond to the display welcome message and menu 102 program by giving an appropriate log on response 104. The get log on response 104 may verify and grant a level of access privileges to the participant. It is understood that the consignment node user may require the get log in response 104 to retrieve a credit card number, pin

number, user ID and the like, to grant access privileges.

Woolston, column 9, lines 9-14

This quoted section of Woolston merely teaches granting access, and fails to teach, at least, that each user provides **demographic** information and **service preference** information.

Moreover, a participant may establish an account with his local consignment node to be debited and credited with the funds used and generated with his transactions.

Woolston, column 5, lines 11-14

This quoted section of Woolston merely teaches sharing of financial information, and fails to teach, at least, that each user provides **demographic** information and **service preference** information.

4. **Claim 26**

The rejection of claim 26 constitutes legal error and must be reversed at least because the proposed taking of Official Notice is improper. Specifically, taking Official Notice of aggregation of bidding data and user information to be used for targeted marketing or promotions is improper

Claim 26 recites *inter alia* the following feature(s):

... wherein bidding data and user information are aggregated and provided to the one or more restaurants to be used for at least one of: targeted marketing or promotions.

By way of non-limiting example, bidding data and user information may be aggregated and provided to the one or more restaurants. See, e.g., page 15, lines 2-5 of the Specification as originally filed.

The Answer alleges “that is old and well known that many websites allow a user to allow a user [sic] to customize/personalize a given web page for a particular use, use web information as means for targeted marketing/promotion, and/or download data via

a website or electronic mail. **This helps by [sic] maximizing the user's experience based on the collected data.**" (*emphasis added*) [Answer, 18].

Firstly, it is to be appreciated that the Examiner attempts to officially notice legal conclusions – namely the implied equivalence of “web information as means for targeted marketing/promotion” with either the recited *aggregation* of bidding data and user information in general or the *provision of aggregated data* to one or more restaurants for targeted marketing and/or promotions in specific. Official Notice, however, is only proper for facts. (MPEP § 2144.03).

Official Notice is only permissible for those few facts that are of a “notorious character” and that are “capable of instant and unquestionable demonstration”. (MPEP § 2144.03(A)). It is improper to use Official Notice for conclusions of law.

Secondly, the Office Action relies on Official Notice as the “principal evidence” upon which the rejection of claim 26 is based. Official Notice cannot be used in this manner. As Section 2144.03(A) of the MPEP expressly warns, it is never appropriate to rely solely on Official Notice as the principal evidence upon which a rejection was based. Instead, Official Notice is only appropriate for facts and that serve to “fill in the gaps” in a rejection. (MPEP § 2144.03(A)). This is why official notice is to be judiciously applied. (MPEP § 2144.03). It is unreasonable to conclude that the Office Action has used Official Notice to “fill in” a gap in this rejection.

Thirdly, the Office attempts to take Official Notice of matter that is not “capable of instant and unquestionable demonstration”, as expressly required by section 2144.03(A) of the MPEP. Indeed, even assuming *arguendo* that the implied equivalence with the recited features is a fact, this fact would be neither of notorious character nor instantly and unquestionably demonstrable. Moreover, courts have long rejected the notion that Official Notice can be taken on the state of the art. (See *Memorandum to Patent Examining Corps from the Deputy Commissioner for Patent Examining Policy regarding Procedures for Relying on Facts Which are Not of Record as Common Sense or for Taking Official Notice*, n.6, citing *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973)). Thus, the Office’s attempt to officially notice the level of ordinary skill in the art is improper as a matter of law.

In sum, the Office's attempts at Official Notice are improper and traversed. Consequently, there are evidentiary gaps in the rejection of at least claim 26 that are fatal to a *prima facie* case of obviousness.

For at least this reason the rejection of claim 26 under § 103 must be reversed.

5. Claims 147-148

The rejection of claims 147-148 under § 103 must be reversed at least because the Answer fails to demonstrate that the following feature would have been obvious in view of the cited references: a registration process where the user **must** register and provide demographic information.

Claim 147 recites *inter alia* the following feature(s):

...wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide demographic information.

Claim 148 recites *inter alia* the following feature(s):

...wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide identification and demographic information.

By way of non-limiting example, the registration process may include providing identification and demographic information. See, e.g., page 2, lines 11-13 and page 14, lines 14-20 of the Specification as originally filed.

The cited references do not teach or suggest that a user must register and provide demographic information. The Answer alleges that U.S. Patent 6,697,824 to Bowman-Amuah teaches that a user must register and provide demographic information at column 45, lines 54-62, and column 42, lines 6-8 and lines 50-53.

Registration Forms. A form that the user fills out to register to the site. This may include interests, demographics or any other profile attributes that site has defined **and the user may be willing to provide**.

Bowman-Amuah, column 42, lines 59-62 (emphasis added)

This quoted section of Bowman-Amuah merely teaches that a user may or may not provide demographic information. In contrast, claims 147-148 include the feature that a user **must** provide demographic information.

For at least these reasons, as well as those previously filed in the Appeal Brief, the rejections that are objected to must be reversed.

CONCLUSION

For at least the foregoing reasons, and the reasons presented in the Appeal Brief, Appellant respectfully requests that all rejections at issue be reversed.

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